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ASX ANNOUNCEMENT

14 October 2021

Purchase of Narrabri Private Royalty

Whitehaven Coal (ASX:WHC) is pleased to announce it has entered into an agreement to acquire the 1% Private Royalty over the Narrabri Coal mine held by Anglo Pacific Group plc (APG), with effect from 31 December 2021.

The consideration for the acquisition entails three components, being:

1. fixed consideration of US$21.6 million ;
2. fixed consideration of US$5m that commences following the conversion of EL6243 into a mining lease; and
3. a contingent revenue participation structure extending to the end of calendar year 2026 where Whitehaven will pay APG additional bi-annual contingent amounts linked to average future realised Narrabri coal prices for each six – month period. Contingent amounts will be payable when the average realised price in a six-month period exceeds US$90/t and will be up to US$0.25/t (max) if the average realised price for the period is US$150/t or more.

Each element of consideration is payable over five years to 31 December 2026.

This transaction provides Whitehaven with greater exposure to buoyant coal prices by effectively capping its royalty expense at US$26.6m plus contingent revenue participation payments. Payments under the revenue participation structure will be largely self-funding.

Keith Ross established the 1% Private Royalty prior to construction of the Narrabri mine. APG acquired the Narrabri royalty from an entity associated with Keith Ross for US$65 million in March 2015.

Whitehaven CEO and Managing Director, Paul Flynn, commented:

“Narrabri is a great asset with a great future and today’s deal will ensure Whitehaven shareholders capture even more of the value from its potential.

With 167Mt of Marketable Reserves and fixed consideration of US$26.6m, we are pleased to have reached agreement with APG.

“With coal prices at record highs today’s acquisition is indicative of the opportunities that are emerging in the global energy complex.”

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This announcement is authorised for release to the market by the Board of Whitehaven Coal Limited